

ECONOMICS

Levels:	Grades 10-12
Units of Credit:	.5
CIP Code:	52.0611 (Business) 08.0601 (Marketing)
Prerequisite:	None
Skill Test:	#450

CORE STANDARDS, OBJECTIVES, AND INDICATORS

Standard 1

Students will understand the economic condition of scarcity where individuals, businesses, governments, societies, and nations must make choices in attempting to satisfy unlimited wants and needs using limited resources.

Objective 1: Define economics using the main ideas that wants and needs are unlimited; resources are limited, resulting in scarcity.

- a. Give examples of how scarcity forces individuals, businesses, governments, societies, and nations to make choices in allocating limited resources.
- b. Identify the productive resources/factors of production (Human Resources/Labor, Natural Resources/Land, Capital Resources) and give examples of each.
- c. Determine the difference between a good and a service and identify productive resources that are used in the production of various goods and services.
- d. Explain the difference between wants and needs and give examples of each.

Objective 2: Compare and contrast the concepts of opportunity cost and trade offs using production possibilities curves.

- a. Define opportunity cost.
- b. Define trade-offs.
- c. Give examples of opportunity cost and trade-offs as they apply to individuals, businesses, governments, societies, and nations.
- d. Design a production possibilities curve to illustrate trade-offs.

Objective 3: List the basic economic questions (What will be produced, How will it be produced, and for whom it will be produced) and describe how different economic systems (traditional, command, market, mixed) address these questions.

- a. Define traditional, command, market, and mixed economic systems.
- b. Explain how the basic economic questions have been applied in early U.S. or Utah settlements.
- c. Identify the economic systems used in different countries around the world today.

Objective 4: Use the decision-making process, including marginal analysis (marginal benefit/revenue is greater than or equal to marginal cost), as students consider an economic choice to which they can relate.

- a. Define marginal analysis.
- b. Apply marginal analysis to an economic choice a student must make, i.e. buying a car, deciding on plans after high school, selecting a college/university, etc.
- c. Give an example of how a business might apply marginal analysis.

Standard 2

Students will understand that resources and goods/services are allocated by voluntary exchange and that economic markets are characterized by supply, demand, competition, incentives and property rights.

Objective 1: Define markets and explain how markets allocate scarce resources.

- a. Define markets and how they allocate resources.
- b. Describe how voluntary exchange between households and businesses create a circular flow of money, products, and resources.
- c. Construct a circular flow model/diagram for both market and mixed economic systems demonstrating the process of voluntary exchange among businesses/producers, households/consumers, and government.

Objective 2: Determine why incentives, competition, and property rights are important components of market economies.

- a. Define incentives, competition, and property rights.
- b. Give examples of how people respond predictably to incentives.
- c. Describe the advantages of competition among households/consumers as well as among producers/businesses.

Objective 3: Discuss the laws of demand and supply and explain what causes demand, supply and price to behave as they do.

- a. Define demand and supply and explain demand and supply schedules.
- b. Describe how the concepts of the substitution effect and diminishing marginal utility apply to demand.
- c. Create supply and demand curves on a graph and predict how changes/shifts in either supply or demand will affect the market and impact price.

Objective 4: Compare and contrast different market structures (perfect, monopolistic competition, oligopoly, and monopoly) in which firms/businesses/producers compete.

- a. List the characteristics/traits of each of the four market structures (perfect, monopolistic competition, oligopoly, and monopoly).
- b. Identify business sectors that illustrate each of the market structures.

- c. Explain the role of anti-trust laws as they apply to market competition.

Objective 5: Discuss various economic theories and the economist who developed those theories as they relate to market economies.

- a. Explain Adam Smith's invisible hand theory and laissez faire as discussed in his book, The Wealth of Nations.
- b. Discuss John Maynard Keynes theories from the book called The General Theory of Employment, Interest, and Money.
- c. List some modern-day economists and the recent economic theories for which they have been recognized.

Standard 3

Students will recognize how government and economic institutions assist individuals and groups in pursuit of economic well being.

Objective 1: Analyze the principle goals of government in the US economy and how the government attempts to accomplish those goals.

- a. Discuss the main economic goals of the U.S., which include providing public goods/services, insuring competition, dealing with externalities and promoting economic stability, security, and growth.
- b. Explain how fiscal policy (taxing and spending) is used by federal, state, and local governments.
- c. Provide observations about how fiscal policy can sometimes lead to deficits and debt.
- d. Examine different types of taxes (progressive, regressive, proportional) governments use to raise revenue and list the various taxes that governments levy (i.e. income tax, property tax, sales tax, etc.)

Objective 2: Identify the four phases of the business cycle (peak, contraction, trough, expansion) and examine the role of economic indicators in determining the level of business activity.

- a. Create a simple business cycle graphic and label the four parts of the business cycle correctly (peak, contraction, trough, and expansion).
- b. Discuss Gross Domestic Product (GDP) and how it is measured.
- c. Define labor force and how unemployment is calculated.
- d. Define the different types of unemployment (frictional, structural, cyclical, and seasonal).
- e. Explain inflation, the factors leading to inflation, and how inflation is measured.

Objective 3: Describe the functions of money and explain the role of financial institutions, the Federal Reserve Bank, and government in the fluctuation of the money supply.

- a. Explain the three functions of money (medium of exchange, store of value, measure of price).
- b. Explain the responsibilities of the Federal Reserve. (i.e. supervise and regulate banks, administer monetary policy, and provide financial services for the US government and member banks)

- c. Examine how the Federal Reserve uses monetary policy tools (open-market operations, reserve requirement, discount rate) to stimulate the economy or control inflation.
- d. Compare fiscal and monetary policy and summarize how the use of these policies affects individuals, businesses, governments, societies, and nations.

Objective 4: Examine the role of entrepreneurs and businesses/producers in market economies.

- a. Define the different forms of business organization (sole proprietorships, partnerships, corporations, etc.)
- b. Identify how businesses may raise capital (debt financing vs. equity financing).
- c. Determine how businesses earn a profit by creating value in producing a good/service and selling it for a greater price than it cost to produce it.
- d. Analyze the different forms of business organization (Sole Proprietorships, Partnerships, Corporations, etc.); identify how businesses may raise capital (debt financing vs. equity financing), and how businesses earn a profit.

Standard 4

Students will understand how investing in health, education, technology, and entrepreneurial pursuits can increase productivity and the standard of living.

Objective 1: Analyze the effect of specialization and division of labor on productivity, standard of living, and interdependence.

- a. Evaluate how the education of, supply of and demand for workers in various jobs affect the worker's income.
- b. Determine the impact on productivity made by investments in human resources, physical resources, and technology.
- c. Explain how increased productivity can increase standards of living.

Objective 2: Explore the importance of savings and investment in today's economy.

- a. List factors (risk, return, liquidity, and opportunity cost) that can influence households/consumers and businesses/producers in making savings and investment choices.
- b. Compare different savings and investment options using the factors listed above (i.e. real estate, financial institutions, stock market, etc.).
- c. Explain how individual savings impacts a business's or producer's ability to grow and expand.

Objective 3: Discuss the role of ethics in choices made by individuals, businesses, societies, governments, and nations.

- a. Define ethics.
- b. Evaluate a current ethical scenario that an individual, business, government, society, or nation faces.

Standard 5

Students will understand how individuals, businesses, governments, societies, and nations are impacted by a changing global economy.

Objective 1: Summarize the advantages/benefits and disadvantages/costs of trade for individuals, businesses, government, societies, and nations.

- a. Define import and export.
- b. Examine the impact of a country's balance of trade (imports and exports) on the Gross Domestic Product and standard of living of a country.
- c. Analyze the impact of various trade barriers (i.e. tariffs, quotas, standards, subsidies, etc.) on individuals, businesses, government, societies, and nations.
- d. Discuss trade organizations, trade agreements, and protectionist views.

Objective 2: Compare and contrast absolute and comparative advantage.

- a. Define absolute advantage.
- b. Define comparative advantage.
- c. Explain how comparative advantage is used in analyzing trade decisions.

Objective 3: Explore the effects of currency exchange rates on individuals, businesses, governments, societies, and nations as related to international trade and travel.

- a. Explain what currency conversion is and practice converting U.S. dollars into foreign currencies and foreign currencies into U.S. dollars.
- b. Determine how the price of an imported good is affected by currency fluctuations.
- c. Discuss how a country's exports can be impacted by currency fluctuations.

Objective 4: Examine the struggles that nations and the world face as economies throughout the world develop and change.

- a. Discuss how political systems and economies in many countries are changing.
- b. Analyze how the U.S. relates to changing economies and political systems in other countries.
- c. Study the role of the U.S. in today's global economy.